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ECONOMIC QUESTIONS AFFECTING THE VISAYAN ISLANDS.

BY BRIGADIER-GENERAL WILLIAM H. CARTER, U.S.A.

THE Visayan Islands constitute a most important group of the Philippines, from a commercial point of view; for nearly all the sugar and a great part of the hemp exported from the Archipelago are produced in the Visayas. The bulk of the sugar is shipped from the port of Iloilo, although produced by the neighboring island of Negros. The hemp of Leyte commands always the highest market price, and there is a very wide range of values between the best and the poorest qualities of that fibre. An early return to a state of prosperity in the Visayas depends upon a proper solution of economic questions which relate to these, its principal, productions, rather than upon any considerations of academic politics; no one appreciates this more thoroughly than the Visayans themselves.

It should be understood that, while the export trade is nearly all in the hands of British, Spanish and other foreign houses, the agricultural operations are quite generally in the hands of Visayans. The result of this arrangement has produced a widespread feeling of pending misfortune, for the reason that all the commercial houses refrained during the past season from advancing money to the sugar-planters. Many sugar-fields have been allowed to lie fallow, but, nevertheless, a considerable crop will find its way to market.

The failure to secure money on credit may not be a grave misfortune to the planters. If the price of sugar is remunerative, those who have produced crops will be financially able to go on next year without further dependence upon the money-lenders; and those whose haciendas now lie fallow will only be in debt to the Government for their taxes, and not in the hands of Shylocks.

There is no better land anywhere for the production of sugar-cane than in the island of Negros. To develop this well-established industry does not require great capital, but settled conditions and a fixed policy as to tariff barriers. It is not so much a question of aid, as of a knowledge as to what fixed trade relations will exist between the islands and the United States. It is uncertainty, quite as much as the loss of farm animals, which is now holding back this industry.

No man with business instincts can study the situation on the spot without reaching the conviction that there is a great market in the Orient for all the sugar the Philippines can produce, and that what is needed is a better grade of cane, modern machinery and sugar refineries in Iloilo. An inferior quality of cane is planted; the harvesting is done without reference to proper economy of labor, and the crushing of the cane is crude and lacking in thoroughness. In fact, the whole process, from planting to marketing the crop, is in need of modernization, and this will come in due time. Even with the same grade of cane now planted, the profits could be materially increased by better methods at the mills.

In China there lies a great undeveloped sugar-market, for the Chinese are but beginning to acquire the sugar habit; and Japan may be safely counted upon as the legitimate market for the Visayan sugar output whenever the Philippine tariff may be arranged with that end in view.

Of course, the development of a sugar-market in the great interior of China will mean a general trade with the Chinese, for it is not in accord with the history of economic development for the people of one country to make payment for goods to another country in cash, which is to be expended in still another country, that may be the political parent of the people supplying the goods.

It has been said many times in public speeches that, when the Filipinos have been under the American flag long enough to understand the benefits which it confers, they will not want political independence, and there is much probability of truth in the statement. On the other hand, if America will, for a period of five years, lower the tariff barriers which the people of the Visayas regard as the cause of industrial depression in their beautiful islands, it is equally certain that the barriers will forever remain removed.

The next in importance of the industries of the Visayas is the cultivation of hemp. While the hemp is known to the commercial world as "Manila hemp," the island of Luzon by no means produces the bulk of the crop. The Visayas contain several islands endowed by nature with the peculiar soil and climatic conditions favorable to the production of high-grade hemp fibre, but the quantity produced in all the Philippines is not what it ought to be. A hemp-stripping machine is to the hemp industry what the cotton-gin is to the cotton industry; yet for more than a hundred years the hemp trade of the Philippines has suffered for the lack of such an invention. The demand for a high-grade Manila hemp has always exceeded the supply, and the price paid has been so remunerative that it has actually lowered the amount of production of the high-grade article. The demand being great, the native hemp-workers found they could get a good price for an inferior article, and naturally brought to market that which could be produced with the least labor.

Hemp-stripping by hand is the most severe labor involved in the production of any crop in the Philippine Islands. When stripping with a smooth knife, a native works only about every other day, the intervening time being considered necessary for recuperation from exhaustion. By allowing the hemp to lie in the rain and soften, and by using serrated blades, the fibre is secured with much less labor, but it is of an inferior quality and discolored. Complaints have been frequent, and efforts have been made to correct the abuse which has threatened the very existence of the hemp trade. Many substitutes have been tried, and with some success; but there is nothing known to equal the best quality of Philippine hemp.

Since American occupation of the islands, the necessity of a machine stripper has been universally recognized, and the honor of having practically solved the question seems to have fallen to a young American engineer, Robert Edward Lindsay. Doubtless, the machine invented by Mr. Lindsay will undergo many improvements; but in its present form it is reported as being capable of turning out sixty pounds of first-class white hemp, of uniform quality, every hour by the labor of two men. Under the existing system, an average hemp-worker can strip about forty-five pounds of fibre in a day.

At the prevailing price of hemp, a good native worker may earn

enough in a few days to supply his simple wants for an indefinite period; and, as the workers are under no contract or obligation, the output has been very uncertain. It is not to be expected that the ignorant natives of the hemp districts will approve of the introduction of the machine, but the usefulness of the invention is so great that companies will now be able to engage in hemp production on a greater scale than ever before. There is no reason why the Philippines should not supply the world with the best grade of white hemp, and the full development of this trade with America may result in a stream of gold akin to that which flows steadily from our supposedly worthless purchase, Alaska, and London may no longer be the distributing-point for the world supply of this fibre.

Sugar and hemp are by far the most important articles of commerce of the Visayas, but there are other industries which incidentally furnish support for a large population. Not the least of these are the cocoanut plantations, for which nature has endowed the coast lines of nearly all the Visayas. Copra is a staple article of commerce, and the output may readily be trebled in quantity and improved in quality, while the by-products may be made to pay nearly all the expenses through the establishment of local factories for handling the cocoanut crop at the centres of trade in the islands.

The Visayas have for several years depended upon Indo-China and French-China for rice; but the abundant crop of native rice recently harvested will serve to reduce greatly the necessity for drawing so heavily on foreign sources during the coming year for this essential article of Oriental diet.

The lumber resources are vast and valuable, but they are not yet readily accessible, because of lack of transportation and an intricate and paternal system of forestry control. These conditions will be ameliorated as prosperity comes in other lines, and as experience and expediency dictate modifications.

Not the least interesting of the Visayan industries is the production of the hand-loom which supply the greater part of the native clothing. The native costumes may vary in color and material, but seldom in fashion or cut. The materials used vary from cotton and coarse hemp, through several finer fibres, to silk. The Province of Iloilo is the centre of the jussi and peña industry, and it would be difficult to find more dainty materials than are

produced by the industrious native women. The jussi fibre and the silk used in the production of the best qualities of goods are imported from China, the other fibres used being found in the home islands. This weaving industry is carried on in the houses of nearly all the natives above the field-hand class, and the profits furnished food for a vast number of women and children during the critical period following American occupation. The high rate of duty now operating at American ports against this class of goods has had the effect of producing pinching poverty amongst a worthy class of native women workers, without any corresponding benefit to American factories.

The Visayan women are usually more industrious than the men, but there has been a tendency to condemn the laborers before they have had an honest trial. In several recent instances, a considerable number of laborers have been taken from the Visayas for employment on public works in other portions of the Archipelago, and unsatisfactory results have followed. Careful investigation has usually developed the fact that promises made to the Visayans have not been faithfully kept.

It is true that the native Visayan is not, and never can be, capable of performing as much work as the large, well-nourished American. The native, however, can and does work according to his physical ability and mental training, and for very much less pay than would be offered to the poorest American. It has been the experience of many Government officials that there is no difficulty in obtaining laborers in the Visayas, in any number, and for any work required, *so long as they are honestly and promptly paid*. By basing all calculations on the physical capacity of the native and *paying him his just dues*, the whole character of the labor problem should be changed in a few years. Many labor troubles in the more civilized countries have resulted from the practice of paying laborers in store checks and other devices; and not a few of our bloody Indian wars have had their origin in broken faith.

Many Americans have joined with foreign investors in the islands in the cry for removal of the restriction on the importation of Chinese labor. There is grave danger in this cry, and if, through the expediency of the moment, coolie labor be introduced in the Visayas, the evil effects on the natives, as well as on the American Government, will far exceed any possible benefits. The

Chinese now in the islands have driven the natives out of business, until there remains only one business house in native hands in the largest city of the Visayas. The wholesale business of the Visayas is controlled by British, Spanish, German, Swiss and other nationalities, except American, and the small retail stores are nearly all in the hands of Chinamen.

Under these conditions, should Chinese coolie labor be brought in for plantation work, there is nothing left for about 2,000,000 Visayan native laborers (the population numbers nearly 3,000,000), but to starve and steal. This means a large increase of Army and Constabulary expenses, for it would produce many conditions akin to those involved in the settlement of the Indian question. Can any reasonable man doubt that the natives would harass and murder the coolies unless every hacienda were furnished with a guard? It is far wiser and more humane to develop the islands slowly, rather than introduce an element of discord fraught with so many evil consequences.

It may be readily understood that existing economic conditions and consequent lack of employment have had a deleterious effect upon the natives who have heretofore been engaged in the production of staple crops. Organized bands of robbers have received many recruits from amongst the idle, and have kept the whole body of people in a state of fear. It is the old, old story of a long strike—discord, arson and murder. When prosperity returns to the Visayas, those who are willing to labor will find ample employment; and the strong arm of the Government may then be effectively employed to restore order and give protection to life and property. In this it will receive the aid and encouragement of all intelligent Visayans, who desire nothing so much as that their islands shall be soon restored to a condition of prosperity and good order, which will enable them to move onward to a higher and more material development than has hitherto been possible.

WILLIAM H. CARTER.